

JUDGE SCHEINDLIN

08 CV 00577

(SAS)

ECF CASE

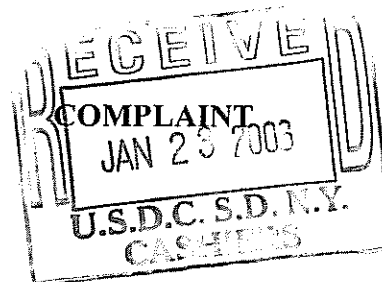
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK-----x
SOURCE CAPITAL GROUP, INC.,

Docket No.

Plaintiff,

-against-

YAKOV KOPPEL,

Defendant.
-----x

1. The plaintiff, Source Capital Group, Inc. ("Source") is a corporation organized pursuant to the laws of the State of Delaware with its principal place of business in the State of Connecticut. The defendant, Yakov Koppel ("Koppel") is a citizen of the State of New York. The amount in controversy, without interest and costs, exceeds the sum or value specified by 28 U.S.C. § 1332.
2. Source is engaged in the provision of investment banking and brokerage services to individual investors, and is a member of the Financial Industry Regulatory Authority (formerly the National Association of Securities Dealers, Inc., "the NASD").
3. Koppel was a registered representative for Source from December, 2001 to July, 2002 and from April, 2003 to February, 2004, pursuant to two separate written registered representative/agent agreements between the parties ("the Source-Koppel agreements").
4. The Source-Koppel agreements provided that Koppel was to be responsible for the reimbursement to Source of any and all costs of any

NASD arbitration resulting from Koppel's activities as agent for Source, and for all fees charged to Source as a result of any such arbitration.

5. In July of 2005 an NASD arbitration ("the Klenosky/Wolf arbitration") was commenced in New York City by two investors resident there, whose accounts with Source had been handled by Koppel throughout the periods of his employment as a registered agent for Source.
6. In the Klenosky/Wolf arbitration the complaining investors asserted that Koppel had indulged in numerous specific violations of his fiduciary duties to them in the handling of their accounts with Source, and that Koppel's misdeeds in connection therewith constituted multiple violations of the federal securities laws and of the NASD Conduct Rules.
7. The complaining investors asserted that Koppel's unlawful mishandling of their accounts had resulted in the unnecessary and wrongful depletion of the accounts by over \$200,000, and sought the recovery from Source and Koppel of compensatory and punitive damages totaling \$928,375.56.
8. In July, 2006 the parties to the Klenosky/Wolf arbitration reached and executed a settlement agreement which called for the payment by Source and Koppel to the two claimants of a total of \$120,000 in damages, and to the NASD of \$9,000 in arbitration fees. Each of these amounts was paid in full by Source.

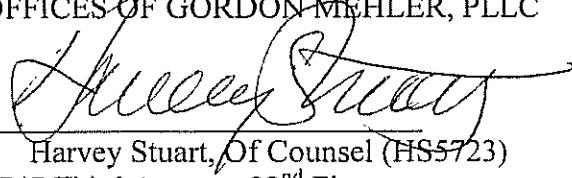
9. Since July of 2006, despite numerous demands addressed by Source to Koppel, Koppel has failed and refused to reimburse to Source any part of the \$129,000 which, by the terms of the Source-Koppel agreements, he is required to reimburse to Source in connection with the Klenovsky/Wolf arbitration.

WHEREFORE,, the plaintiff demands judgment against the defendant for \$129,000, plus interest and costs.

Date: January 10, 2008

LAW OFFICES OF GORDON MEHLER, PLLC

By

A handwritten signature in dark ink, appearing to read "Harvey Stuart", is written over a horizontal line. The signature is fluid and cursive.

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